

Conference Report

QUEST FOR EXCELLENCE IX Washington, DC February 10-12, 1997

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1. Background

The ninth annual Quest for Excellence Conference (Quest) was held in Washington, DC (February 10-12, 1997) through the joint sponsorship of the National Institute of Standards and Technology's National Quality Program, ASQC, the Association for Quality and Participation, and the Council on Competitiveness. Quest is the official conference of the Malcolm Baldrige National Quality Award and the effective end of each year's Award cycle. This year's conference showcased the 1996 winners¹. ADAC Laboratories (ADAC) (manufacturing category), Custom Research Inc. (CRI) (small business category), Dana Commercial Credit Corporation (DCC) (service category), and Trident Precision Manufacturing (Trident) (small business category).

Ten years ago, the American business community and government formed a partnership to spearhead the national quality improvement campaign which

launched the Malcolm Baldrige National Quality Award. The Award, created in 1987 by public law, continues to promote an understanding of quality business practices, greater awareness of continuous improvement as a crucial competitive element, the sharing of information and successful strategies through publications, such as the Award Criteria, winners' Profiles, case studies, and public activities. The most prominent of these public activities is the annual Quest for Excellence Conference.

2. 1996 Award Winners

ADAC Laboratories, founded in 1970, designs, manufactures, markets, and supports products for health care customers in nuclear medicine, radiation therapy planning and health care information systems. These products and services are sold to hospitals, universities, and clinics throughout the world. ADAC's 710 employees work primarily at its headquarters facility in Milpitas, CA, and at facilities in Houston, TX, and Washington, MO. At this year's Quest Conference, ADAC's CEO, David Lowe, noted that ADAC discovered the Baldrige Criteria in 1992 and made them ADAC's quality roadmap. ADAC has benchmarked with AT&T and learned from previous Quest Conferences (ADAC's current supplier management teams were implemented after hearing the concept described by the Telecommunications Products Division of Corning Incorporated at last year's Quest). ADAC emphasized the continuous challenge of the dual nature of work: daily routine activities which follow current practices; and improvement activities that often introduce new practices, procedures, policies, and/or materials.

CRI, founded in 1974, is a full-service national marketing research firm with clients in consumer, business-to-business, services, and medical markets. The company works with large multinational companies to design and conduct projects that provide

¹ There are three Award categories in which companies may compete: manufacturing, service, and small business.

information to help make better business decisions. A privately owned corporation, CRI ranks 36th in size in a \$4 billion industry with 3,000 competitors. CRI has 105 full-time employees at its headquarters in Minneapolis and in offices in San Francisco and New York City. CRI also has telephone interviewing centers in St. Paul, MN and Madison, WI. CRI's strength is its stable workforce and its information systems. Due to the nature of a business that requires each project to be custom-designed, CRI noted at Quest, that while most professional services firms believe their services cannot be standardized, CRI has made great strides in efficiency by producing and applying a standard flow of steps for all projects. CRI also noted that it has used the Baldrige Criteria, the Award process, and especially feedback reports, since 1990, as its "personal trainer" pushing the company forward while helping CRI measure and track its progress.

Dana Commercial Credit Corporation, founded in 1980, headquartered in Toledo, OH, and an operation of Dana Corporation, provides leasing and financing services to a broad range of business customers in selected market niches. Its primary offices are located in Toledo and Maumee, OH; Troy, MI; Oakville, Ontario, Canada; Weybridge, Surrey, United Kingdom; and continental Europe. Activities include leveraged leases for power generation facilities and real estate properties with values up to \$150 million; customized programs assisting vendor-manufacturers in selling products such as in-store photo processing laboratories; and customized private label leasing programs that aid computer manufacturers, distributors and dealers in selling systems that average \$10,000 each. Dana Commercial Credit has assets of approximately \$1.7 billion (for 1996), and the company employs approximately 550 people. Like CRI, DCC is a service company using process management approaches adapted from the manufacturing world. At the conference, DCC highlighted its use of monthly scorecards and its "SWOT" analyses which compare company performance against benchmarks to determine Strengths, Weaknesses, Opportunities for improvement, and/or Threats to the business.

Founded in 1979, Trident Precision Manufacturing Inc., is a privately held contract manufacturer of precision sheet metal components, electromechanical assemblies, and custom products. The company develops tooling and processes to manufacture components and assemblies designed by its customers in a variety of industries, including office equipment, medical supplies, banking, computers, and defense. The company's 167 employees are based in a single manufacturing facility in Webster, NY. Trident has embraced continuous improvement since a 1988 Xerox

supplier's meeting. Trident prides itself on never having lost a customer to a competitor and implementing 97 % of 125 monthly process improvement recommendations (over 5000 received from 1991 through 1995). At Quest, Trident noted that it relies on the advice of its friends and customers and uses very few paid consultants.

3. This Year's Conference

This year, as it has for the previous 8 years, Quest has provided a forum for quality-conscious business leaders worldwide to hear and question the most recent Baldrige Award recipients. Each year, business executives and a growing contingent of executives from health care, education, and the nonprofit world², have come to this conference to learn about the quality journeys of Award-winning companies and how to adapt and implement proven performance excellence practices to their own organizations. Conference participants view the 28 current and prior Award winners as quality practices benchmarks for a broad spectrum of manufacturing and service organizations.

The key feature at each Quest is that the conference is organized to encourage attendees to query Baldrige winning companies during the full conference plenary sessions³, smaller group discussion, and question-and-answer breakouts to learn details of the winning companies' approaches to addressing each of the seven Baldrige Award Criteria Categories.⁴

This year's conference opened with a welcome by Dr. Harry Hertz, Director of NIST's National Quality Program, a premiere showing of the Quest for Excellence IX Video⁵, and a keynote address by Secretary of Commerce William Daley, his first public speech since Congressional confirmation the previous week. In his speech, Secretary Daley, calling the Malcolm Baldrige National Quality Award an American treasure, the Nobel Prize of business, announced that he was going to confer with Earnest Deavenport (CEO of 1992 Baldrige winner Eastman Chemical and president of the

² At the December Baldrige Awards ceremony, it was announced that the private Foundation for the Malcolm Baldrige National Quality Award will begin fund raising to endow new Baldrige Award categories for health care and education organizations. The first Award cycles for these two sectors are projected for 1998.

³ Audio tapes of all plenary, workshop, and most breakout sessions are available.

⁴ The Malcolm Baldrige National Quality Award Criteria (continuously evolving) provide a framework against which companies assess their continuous improvement efforts and management systems.

⁵ Each year, a videotape is produced which profiles the current Baldrige winning companies and highlights their results and best business practices.

Foundation for the Malcolm Baldrige National Quality Award) to determine how the Baldrige Criteria could be applied to the United States Department of Commerce. After the Secretary's address each winner described their company's quality journey.

The conference provided a number of firsts for the second largest audience ever to attend Quest, over 1400 attendees. This was the first time that none of the Award winning companies came from the family of old-line American companies. All of this year's Baldrige winning companies were founded sometime since 1970. In contrast, both of last year's winners were rooted in the mid-19th century. CRI provided three firsts: the first time a female-headed company won the Award; the smallest company (105 employees) ever to win the award; and the first personal services company to win the award. ADAC was the first representative from the health care industry to win the Award. This was the first year that all the current winners had also won their state awards.

Highlights of the conference were sessions on how each company approached the Award Criteria (category by category) and their lessons learned through their association with the Award process and the Baldrige feedback reports, the revised 1997 Performance Excellence Criteria⁶ (presented by Dr. Hertz), the state and local award programs, the health care and education award plans, future directions of the Award program (presented by Dr. Hertz), and conference themes and impressions (presented by Dr. Curt Reimann). This conference was also a showcase for introducing the new Baldrige web site (<http://www.quality.nist.gov>), a 6 month partnership effort of NIST and a consortium of Baldrige winners.

4. General References

1996 Criteria for the Malcolm Baldrige National Quality Award, copies available by calling the NIST National Quality Program at (301) 975-2036 (the 1997 Criteria and other Baldrige related material can be downloaded at <http://www.quality.nist.gov>).

Audio Archives International tapes of the QE IX conference, tapes can be ordered at (800) 747-8089.

⁶ Besides a name change to reflect more accurately the broader use of the Criteria as an internal assessment guide, significant changes to the Criteria were also made: consolidating 24 Items into 20 Items, 52 Areas-to-Address into 30, and 114 Item Notes into 45. The application page limit has been reduced from 70 pages to 50.